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STATE PASS TO USAID HENRIETTA FORE, ALONZO FULGHAM, NORMAN  
NICHOLSON  
PASS TO EUR/FO KURT VOLKER, MATTHEW BRYZA  
DEPT OF COMMERCE PASS TO PAUL DYKES

E.O. 12958: N/A  
TAGS: [EAID](#) [ECIN](#) [ECON](#) [EIND](#) [ETRD](#) [ZL](#) [IT](#)  
SUBJECT: GOI INTEREST IN USAID ADRIATIC SUSTAINABLE TOURISM  
ALLIANCE (ASTA)

11. (SBU) SUMMARY: The Chief of Tourism in the Government of Italy's (GOI) Office of the Prime Minister expressed interest in supporting and contributing to a proposed Adriatic Sustainable Tourism Alliance (ASTA) after meetings with USAID. Our contact requested that a high level USG representative write to Ministry of Culture Rutelli seeking the GOI's formal views and soliciting means to move the project forward. Meetings with officials in the GOI's Ministry of Foreign Affairs (MFA) were more ambivalent, but interest in the PM's office may be sufficient to open the possibility of GOI funding for ASTA. END SUMMARY.

12. (SBU) During a recent visit to Italy Thomas Mefford, the USAID Deputy Assistant Administrator for Europe and Eurasia, discussed support for the proposed ASTA with relevant officials from the Office of the Prime Minister and MFA. The PM's Chief of Tourism, Angelo Balducci, expressed interest in the program and believed it could have a place in Minister Rutelli's tourism program (as Minister of Culture, Rutelli controls the GOI's tourism and tourism development initiatives). Balducci saw the proposed ASTA project as an effective means for developing Balkan economic development and increasing Italian presence in tourism in the Balkans. He also thought the program had significant potential infrastructure and environmental components, again heightening its relevance to the GOI. In addition he flagged possible EU interest in the project. Balducci proposed that a high level USG official, perhaps Mr. Mefford or Ambassador Spogli, write Rutelli, referencing Mr. Mefford's meeting with Balducci. The letter could explore means to move the project forward (Balducci reports to Rutelli). Balducci offered to send the Embassy and USAID a sample request letter in a suitable format to obtain maximum attention from Rutelli.

13. In an initial meeting with Alessandro Foschini, a member of Balducci's staff, Foschini expressed interest in the ASTA program in the context of providing GOI development expertise. He noted that Italy has some experience in tourism development through the Barcelona Declaration's Five Plus Five process. Foschini also thought that major Italian tourism companies might be interested, especially for skiing and coastal-oriented tourism.

14. (SBU) Mefford also met with Alain Economides, Director of Development, Maria Zappia-Cailluax, Chief of Development, and Raffaella Valentini, Deputy Head of Office, Middle East and Balkans, at MFA. While interested, they requested more precise details on specific tactics that the ASTA project might fund, and more specificity of how funding would be deployed before they could commit to the project. Mefford

noted that the first part of the actual project, area mapping and analysis, would identify more precisely the tactics and funding that were necessary.

15. (SBU) Zappia-Caillaux identified the expertise that MFA's development program offers: credit lines, infrastructure development, technical assistance, and training. Economides suggested that Mefford speak with other EU countries, in addition to Italy and Greece, to expand European interest in the project. Economides also suggested that Mefford speak with relevant tourism authorities in the Italian regions bordering the Adriatic. He noted that the regions have budgets and spending authority allocated to them for tourism that may be other sources of support for ASTA.

16. (SBU) COMMENT: Post believes that Balducci's interest signals a credible way forward for ASTA. Post also views the opportunity to deal with the central Italian government as more effective than dealing with a number of separate regions. Balducci noted that, contrary to Economides's suggestion, the Ministry of Culture would have competence for funding ASTA, rather than the Italian regions, since ASTA would be a Europe-wide project. Further, since ASTA would involve foreign environmental and infrastructure issues, the Ministry, rather than the regions, would again have funding and management competence.

17. (SBU) We expect to receive the sample/draft letter from Balducci's office shortly. Upon receiving the draft letter, we will forward it to Mr. Mefford/USAID for consideration.  
END COMMENT.  
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